

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3169 – SB 3135

April 26, 2010

SUMMARY OF AMENDMENTS (016798, 017618): Amendment 016798 deletes the language of the original bill; requires the Department of Correction to periodically resubmit the inmate disclosure statement to inmates and to establish by rule the frequency with which such form shall be resubmitted; establishes an offset procedure for the state to recover various debts owed to the state from taxpayers requesting tax refunds of \$200 or more; requires taxpayers requesting tax refunds to complete and submit a written report of debts to accompany the claim for refund; creates a new Class A misdemeanor offense for reporting false information on such report; requires the Commissioner of Revenue to provide notification of receipt to the State Treasurer and to claimants for timely filed claims for tax refunds \$200 or more; requires the State Treasurer to verify to the Department of Revenue (DOR) whether or not the requesting taxpayer is the owner of any unclaimed property, for the purpose of offsetting state debts against any unclaimed property that would otherwise be due to the taxpayer; authorizes DOR to collect a \$5.00 fee for costs of debt collection; requires DOR to report annually to various state agencies a list of taxpayers for the previous year who filed claims for, and received tax refunds; requires the Comptroller of the Treasury to conduct a performance audit on implementation of this act and report, on or before January 15, 2013, any findings and recommendations to the Finance, Ways and Means Committees and the Government Operations Committees of the House and Senate.

Amendment 017618 adds language to Section 6 of the bill as amended by amendment 016798 that requires the chancery court to conduct a de novo trial of the suit when the issue is the validity of an assessment.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Exceeds \$100,000/Recurring
Increase State Expenditures – \$166,000/One-Time
\$280,000/Recurring

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue – Exceeds \$100,000/Recurring
Increase State Expenditures - \$12,000/One-Time
\$200,000/Recurring

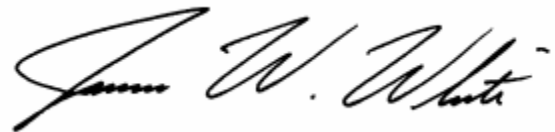
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Assumptions applied to amendments:

- Based on information provided by DOR, there are approximately 26,000 potential accounts where taxpayers could request refunds each year.
- A minimum of ten percent (or 2,600) will request refunds equal to or exceeding \$200 and have outstanding debt to the state.
- Given the potential volume, DOR will need three additional positions to accomplish the provisions of this bill as amended. The recurring increase to state expenditures for these positions is estimated to be \$200,000 per year (\$120,000 salaries, \$60,000 benefits, \$20,000 other). An additional one-time increase to state expenditures for computer system and software enhancements estimated to be \$12,000.
- Based on information provided by the Comptroller, any increase to state expenditures for conducting the performance audit would be considered not significant since they periodically perform these audits under current law.
- Based on the information provided by the Department of the Treasury, any increase to departmental expenditures related to the unclaimed property provisions of the bill as amended can be accomplished within existing resources without an additional appropriation or reduced reversion.
- Based on information provided by DOR, the increase to state revenue as a result of collecting additional various state debts is estimated to exceed \$100,000 per year.
- There will not be a sufficient number of prosecutions for state or local governments to experience a significant increase to expenditures or revenue.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc